

BUSINESS MANAGER NEWS
Iowa District West Congregations' Mission Receipts



Month Ending November 2021	
Anticipated Amount	\$113,500
Actual Receipts	\$115,283
Fiscal Year-to-Date Receipts	
Anticipated Amount	\$1,135,000
Actual Receipts	\$1,155,790
Over (under) anticipated amount	\$20,790
Use of Mission Receipts	
Remitted to Synod (45%)	\$510,750
Balance for District programs & ministries	\$645,040
Total Receipts	\$1,155,790
Mission Receipts Compared with Last Year	
Month ending November 2021	\$1,155,790
Month ending November 2020	\$1,141,475
Over (under) last year	\$14,315

Partners in the Gospel - Monthly Mission Moment - Stewardship Spark

The year is almost over, but you still have time to make a year-end gift before December 31, 2021. Reminder: according to IRS regulations, it is the postmark that determines the date of a mailed-in gift, not the date written on the check. If you have a specific ministry you want to support (District missionary partner, IOWAY, Joy in Ministry Scholarship Fund, Kapfer Memorial Scholarship, Disaster relief/LERT fund, Youth Gathering, etc.) write on the check memo the ministry you want to support.

[Click here](#) to donate online in IDW or support numerous Synod ministries at www.lcms.org/givenow. Also, join me in supporting the [Iowa Lutheran School Tuition Organization](#) (receive 75% Iowa tax credit).

Stewardship Spark - by Ron Chewning - www.StewardshipAdvisors.org – 248.644.6150

THE LOVE OF CHRIST COMPELS US TO TELL OTHERS OF THE GREAT GIFT OF SALVATION THAT HE BRINGS TO US.

“When [the shepherds] had seen Him, they spread the word concerning what had been told them about this Child” (Luke 2:17).



Church & Clergy Finance/Treasurers Workshop

Plan now to attend the upcoming FREE workshop on **January 8, 2022**, from 9 to 11:30 am. This program will be a great overview and offers an opportunity to get your questions answered. Pastors, treasurers, and any individuals within the church having financial responsibilities should participate. To avoid winter weather and COVID-19 challenges, this will be held virtually (on Zoom). The guest speaker will be Mr. Bob Joy, CPA. He is very knowledgeable and has over 30 years of financial experience. Bob owns his own accounting business specializing in clergy taxes and is the accounting manager for a large church. [Register online.](#)



Concordia Plan Services (CPS) Annual Compensation Report

Attention treasurers/financial staff: If you have not already done so, it is time to complete your 2022 Annual Compensation Report (ACR). This very important report is used to help calculate contributions for the plans and benefits for your workers. CPS has made the process easier to complete with the new ACR Online. Log into your online tool/portal and complete by December 31. For more information, [click here.](#)

Fiscal Year-End District Remittances

Final receipts for 2021 will be received and credited to congregations through January 25, 2022. The District's fiscal period ends January 31, 2022. We ask that all receipts be mailed before the deadline to ensure they will be credited to the correct fiscal period.

2022 Treasurer Receipt Vouchers

New congregation vouchers for District mission and ministry support will be mailed in mid-January for remittances beginning February 1, 2022. Receipts for non-budgetary agencies (for example, Camp Okoboji, Lutheran Family Service, Lutherans For Life, Mission Central) should be sent directly to the organization.

Included in the mid-January treasurer receipt voucher mailing will be the District Convention assessment. The official communicant count will be retrieved from [The Lutheran Annual 2022](#) (2020 statistics). If no number was reported, District will estimate the communicant number. The Synod receives this information from the Congregation Statistics Report which is now emailed annually in early January and is due February 28, 2022. It is important to report this information accurately and promptly, so District has the correct numbers for convention assessments and other statistical reporting.

Congregation Mission Commitments

The 2022 Congregation Mission and Ministry Commitment forms have been sent to all 165 congregations. If your church has not yet responded, please do so by January 15. Your intention of support assists us in planning our budget. If you need another copy, print a copy online at www.idwlcms.org (under Ministry Areas click on Stewardship, Annual Mailing, and Commitment Form) or contact Sue@IowaDistrictWest.org.



Each one must give as he has decided in his heart, not reluctantly or under compulsion, for God loves a cheerful giver (Romans 9:7).

Year-end Resources

Need IRS tax assistance on the reporting requirements for forms 1099, 1096 as well as Forms W-2 and W-3? You may send your request for assistance to mccirp@irs.gov or call 866.455.7438 to speak to a Customer Service Representative who can assist you with questions concerning information and wage reporting.

To access IRS forms and publications, visit the website at www.irs.gov. To order forms and publications through the toll-free forms line, call 800.829.3676 between 7:30 am and 4:30 pm; allow 10 days for delivery.

The 2021-2022 edition of "Taxes and Ministers," a 32-page document designed for ordained and commissioned ministers, is online at www.lcms.org/churchoffice (scroll down to "Financial Matters"). The [Congregational Treasurer Manual](#) offers a wealth of information too. These are both terrific resources for pastors and professional church workers.

IRS Increases 2022 Business Mileage Rate



Beginning January 1, 2022, the standard mileage rate used to reimburse workers' business miles under an accountable reimbursement arrangement will **INCREASE 2 ½ cents to .585 cents per mile**. The accountable reimbursement is the most favorable because the congregation does not have to report the reimbursement as compensation paid to the employee on Form W-2. The employee should document the amount, time and place, business purpose, and business relationship. Employees should substantiate miles at least every 60 days. The standard medical and moving mileage rate will also **INCREASE 2 cents to 18 cents per mile**. The rate used for charitable deduction purposes, set by statute rather than IRS, remains unchanged at 14 cents per mile.

Churches may choose to reimburse a lower rate without any tax consequences. If the church chooses to reimburse at a rate higher than the IRS approved rates, the church must add the excess amount to the employee's taxable income. To read the complete IRS announcement, go online to www.irs.gov and click on [News](#).

Social Security Number Verification Service (SSNVS)

Sometimes the social security number or employer identification number is hard to read on the W-9 or W-4 tax forms. To verify the accuracy of the numbers, go to www.socialsecurity.gov/bsowelcome.htm and register to set up an account. This Business Services Online (BSO) is available at no cost to all employers to verify current or former employees for wage reporting purposes. Why should you verify the names and SSNs online? The BSO reports there are several reasons:

- Correct names and SSNs on W-2 wage reports are the keys to the successful processing of your annual wage report submission.
- Receive immediate results online. It's faster and easier to use than submitting a paper request or using Social Security's telephone verification option.
- Results in more accurate wage reports.
- Saves processing costs and reduces the number of W-2c forms.
- Allows Social Security to give the proper credit to your employee's earnings record, which will be important information in determining their Social Security benefits in the future.

Selection of an Insurance Company

The start of a new year might be a good time to review your insurance policy. The selection of an insurance company, and specific coverages, should be an intentional process. Here are some suggestions that may help...

- Appoint an insurance committee that includes individuals who are capable of evaluating your insurance needs (such as an attorney, business professional, or insurance agent). The committee makes its recommendations to the church leadership for a final decision.
- Use an insurance company that is dedicated to the church market. These companies have acquired specialized knowledge of church risks, and can be of invaluable assistance in risk management, responding to claims, and in selecting appropriate coverages.
- Do not base decisions solely on price. Be wary of companies that do not specialize in the church market that offer lower premiums to attract business.
- Check out the A.M. Best Company ratings for insurers. It is recommended that insurance coverage is placed with a carrier that has an A.M. Best rating between A++ and A-.

The Congregational Treasurer's Manual (www.lcms.org/ctm) has a complete chapter regarding insurance issues. The District's group insurance partnership company, Brotherhood Mutual (www.brotherhoodmutual.com), also has a plethora of resources online.



Year-end Tax Forms – Independent Contractors

If you haven't already, now is a good time to double check that you have all the necessary W-9 forms from your payees. A W-9 form should be sent to all payees with whom you may have to issue a Form 1099 NEC for the calendar year. The payee then completes the W-9, showing you their name, address, taxpayer I.D. number, and their business structure, a corporation, partnership, sole proprietor, etc. They should then return the W-9 form to you. This is the information you use to prepare the Form 1099 NEC at the end of the year.

Nearly Every Ministry Must File Form 1099s. Generally, there are three requirements for issuing a year-end 1099 tax form. You must issue a Form 1099 NEC to:

- 1) Service providers (includes medical service providers, accountants, attorneys, snow removal, repair businesses)
- 2) Anyone to whom you have paid \$600 or more in a calendar year
- 3) Individual/Sole proprietor (anyone not incorporated)

In summary, a Form 1099 NEC needs to be sent to anyone who received \$600 or more in a calendar year. These forms must be provided to the payee by January 31 (note the IRS has moved up the filing date for Forms 1099 reporting non-employee compensation). The reporting date to the IRS will now be the same as the due date for the forms to be issued to recipients, January 31.

Completing W-2 Forms

A Form W-2 must be issued to any employee who received compensation from your church in 2021. The forms must be completed by January 31, 2022. Copies of all W-2 forms (copy A) along with the W-3 transmittal (summary) form must be submitted by January 31, 2022 to the Social Security Administration (SSA). It is a good idea to distribute W-2 forms early in January so employees have time to verify the information before sending the forms to the SSA. Some tips to consider:

- Be sure to add cents to all amounts (amounts are without a dollar sign and commas).
- Include in box 1 all wages paid to the employee during the year including: salary, taxable fringe benefits (Concordia Plans group term life insurance), Christmas gifts, and any other income or business expense reimbursements paid under a “non-accountable plan.” Taxable income should not include any housing allowance dollars, the value of the parsonage or any dollars sheltered from income tax by a congregational housing allowance resolution.
- Include in box 14 optional information such as housing allowance, although not required by the IRS.
- To reduce discrepancies, “proof” the amounts reported on W-2, W-3, and 941 forms. Be sure the amounts on Form W-3 are the total amounts on W-2 forms. Reconcile W-3 with your four quarterly 941 forms by comparing amounts reported for income tax withholding (box 2), Social Security and Medicare wages (boxes 3, 5, 7), Social Security and Medicare taxes (boxes 4 and 6). The IRS has added code DD to box 12 to report the cost of employer-sponsored health coverage. This is for your information only and currently is NOT mandatory and NOT taxable.

Churches must submit to the IRS Copy A of each 2021 1099-NEC form issued to self-employed people along with a 1096 transmittal form by January 31, 2022 (same date for paper or electronic filing). To review year-end tasks (if using QuickBooks) [click here](#).

To learn more, consult the Congregational Treasurer's Manual, chapter 7, section 7.350 and attend the online Church & Clergy Finance/Treasurer Workshop on Saturday, January 8.

Substantiation of Contributions

A donor cannot claim a tax deduction for any single contribution of \$250 or more unless the donor obtains a written acknowledgement. Churches should print contribution statements shortly after the first of the year. If you receive non-cash contributions, the value of the item/property donated should not be stated in the acknowledgement, only a description. For complete details, consult the Congregational Treasurer's Manual, chapter 10, section 10.500.